

Raiders bonds on sale today

By Robert Salladay

STAFF WRITER

OAKLAND — It will happen quickly and without much fanfare, but Oakland officials call a single event today one of the most important in the city's history.

About \$200 million in bonds to finance the return of the Oakland Raiders will go on sale through Goldman Sachs & Co. and Grigsby Brandford & Co. The complex sale was considered one of the most important challenges in the \$619 million, 16-year agreement.

"I think it will prove to be a major, major turning point in the history of our city," Oakland City Manager Craig Kocian said Monday.

Money from the bonds will finance about \$100 million in renova-

tions to the aging Oakland-Alameda County Coliseum, construct a new Raiders training facility and finance "relocation" loans to the team.

Two Wall Street bond-rating services have given the deal high marks, essentially affirming Oakland's and Alameda County's good credit. Standard & Poor's gave the deal an "AA-/A-1+" rating and Moody's gave it an "Aa3."

Moody's said it likes the "mechanics of the transaction", and the letter of credit guaranteeing the deal from the Canadian Imperial Bank of Commerce. Standard & Poor's also said the city and county "have enough financial flexibility" to pay the tab if Raiders' ticket sales fall flat.

With the bonds, the city and county are counting on about \$324

million over 16 years from fans. That money comes from the initial sales and yearly fees on "personal seat licenses" — the right to buy a season ticket.

If the new marketing group can't sell at least 80 percent of the PSLs, taxpayers would be liable for financing part of the Raiders deal. All along, officials have promised that will not happen.

But as of late Thursday, only 60 percent of the PSLs have been sold. More recent figures were not available.

PSL marketing guru Max Muhleman, hired last month to shake up Raiders promotions, said 9,888 remaining PSLs must be sold by Sept. 1, 1996, to make the 80 percent mark and get taxpayers off the hook.

FRI OCT 7 1995

Raiders apathy

FEDERAL TEAM
EXCLUDED

With the midseason nearing, thousands of Raiders tickets are still unsold, particularly ones in the more expensive Club Level.

22,000 MILK

SEATING CAPACITY FOR 1996 SEASON

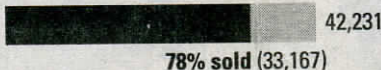
PSL & Club seats



TICKET BREAKDOWNS

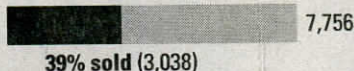
PSL seats

Price: \$250-\$4,000



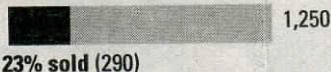
Club seats

\$700-\$1,300 a year



Club loges

\$10,000 and \$16,000



Raiders season ticket-holders come from 30 states. The top 10 are:

1. California
2. Nevada
3. Oregon
4. Washington
5. New York
6. Florida
7. Texas
8. Arizona
9. Idaho
10. New Jersey

TICKET SALES (in dollars)

Sold

Needed to protect taxpayers

Sold out



Will taxpayers pay for Raiders deal?

WED OCT 11 1995

PERSONAL SEAT LICENSES - COLON

THREE days later, my ears are still ringing and my voice still hoarse from attending the Raiders game on Sunday at the Oakland-Alameda County Coliseum. It was one of those almost perfect October days for which our area is famous, and it was a revelation to be amid the screaming and jubilant fans.

How the game went and how we got our tickets tell two sides to what is shaping up to be a truly intriguing sports, political and economic story.

My brother-in-law and I had great seats in the third deck, on about the 30-yard line. The \$51 tickets were given to us by my brother-in-law's nephew.

The nephew acquired these tickets in a manner that illustrates the problems the Raiders, the city of Oakland, Alameda County and the Coliseum have had in trying to make their elaborate deal work to bring back the football team without jeopardizing local taxpayers.

Influenced by the hype last summer to buy Personal Seat Licenses, or PSLs, to secure the 10-year rights to season tickets, the nephew put in five applications for two tickets each. He never dreamed he would get 10 tickets because he thought demand for Raiders PSLs would exceed supply. He was hoping only for two tickets.

Instead, all five applications for 10 tickets were accepted, obligating him to pay thousands of dollars for the PSLs and thousands more for tickets. As successful a businessman as he is, he wasn't ready to commit that much money.

So he negotiated with the team to reduce his obligation to four PSLs and tickets.

The nephew wasn't alone in applying for more PSLs than desired. Now it turns out far fewer PSLs have been sold, which should make city, county and Coliseum officials, and local taxpayers nervous.

Here's why: The Raiders deal was based on the premise it wouldn't cost taxpayers anything. The City Council and Board of Supervisors knew that a deal was dead if they committed direct taxpayer funds to pay Raiders owner Al Davis anything.

A deal five years ago to bring the Raiders back disintegrated because taxpayers protested.

This time, city and county officials seized upon what seemed like a foolproof idea: Put the financial burden on Raiders fans, since Oakland and the East Bay had gained a



William Wong

reputation for being completely crazed about the Raiders.

The way the deal is structured, the PSL money goes to the city and county to help cover the upfront costs of renovating the Coliseum to Davis' satisfaction (addition of 10,000 seats and more luxury boxes). The ticket revenues go to Davis.

Davis isn't worried about lagging PSL sales because he gets none of that money. He probably isn't even worried about sellouts. As long as most of the highest priced tickets in professional sports are sold for the games, he'll rake in enough millions to make him happy.

As of the moment, not enough PSLs have been sold to cover the construction costs. There's still time to sell more PSLs so taxpayers won't be left holding the bag, but officials must be feeling queasy.

Fans who bought PSLs must be feeling like duped chumps. They certainly love the fact the team is doing great on the field, including Sunday's 34-14 stomping of the Seattle Seahawks, the team's third straight decisive victory.

YOU'D think such a team would sell out the Coliseum in a New York minute. That's the way it was in the old days.

But tickets weren't \$51 apiece then. And that's the problem. The Raiders have priced themselves out of their primary market.

That Sunday's game wasn't a sellout has to embarrass team and government officials alike. And, come to think of it, what incentive is there for more fans to buy PSLs when they can get tickets without a PSL that are better tickets than what some PSL holders have?

Why shell out \$250 to \$16,000 for a PSL, when you can buy a single-game seat that gives you a better vantage point than \$4,000 PSL holders sitting in a lower row with terrible sightlines?

The marketing projections have proven to be wrong thus far, and taxpayers may have to pay for the mistakes of their elected and appointed officials.

William Wong's column appears on Mondays, Wednesdays and Fridays.